



IOWA GENERAL ASSEMBLY  
**LEGISLATIVE SERVICES AGENCY**

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**DIVISIONS**

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FISCAL SERVICES  
HOLLY M. LYONS

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COMPUTER SERVICES  
GLEN P. DICKINSON

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ADMINISTRATIVE SERVICES  
TIMOTHY C. FALLER

FISCAL SERVICES

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**David L. Reynolds**

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515.281.6934  
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[dave.reynolds@legis.state.ia.us](mailto:dave.reynolds@legis.state.ia.us)

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**MEMORANDUM**

TO: Legislative Fiscal Committee

FROM: Dave Reynolds, Fiscal Services Division

DATE: June 6, 2007

RE: Department of Corrections Lease Purchase Notifications

The Department of Corrections has submitted two lease purchase notifications for improvements at the Fort Dodge Correctional Facility. The lease purchases are summarized below:

The first project is for the replacement of a digital video recording system. The total estimated cost of this agreement is \$210,000, which includes \$188,000 in principal and \$22,000 in interest. The agreement will be for a period of five years at an interest rate of 4.36%. The annual debt service payments are estimated to total \$42,000 and will be paid from the Correctional Facility's General Fund appropriation.

The second project is for the replacement of door control hardware and software. The total estimated cost of the agreement is \$532,000, which includes \$454,000 in principal and \$78,000 in interest. The agreement will be for a period of seven years at an interest rate of 4.52%. The annual debt service payments are estimated to total \$76,000 and will be paid from the Correctional Facility's General Fund appropriation.

Additional information and project justifications are provided on the attachment. This lease purchase proposal will be reviewed at the June 14 Legislative Fiscal Committee meeting. If you have any questions, contact me at (515) 281-6934.

cc: Jeff Nelson, Office of the Attorney General  
Jina Lilly, Office of the Treasurer of State  
Dru Saathoff, Fort Dodge Correctional Facility



**FORT DODGE CORRECTIONAL FACILITY**

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CORNELL R. SMITH, WARDEN  
1550 L STREET, FORT DODGE, IOWA 50501-5767  
TELEPHONE: [515] 574-4700  
FAX: [515] 574-4750

CHESTER J. CULVER, GOVERNOR  
PATTY JUDGE, LT. GOVERNOR  
JOHN BALDWIN, DIRECTOR  
DEPARTMENT OF CORRECTIONS

Fiscal Services Divison  
Legislative Services Agency  
Attn: Dave Reynolds  
State Capitol Building  
Des Moines, IA 50319

Dear Mr. Reynolds:

Enclosed please find two separate Lease Purchase Prior Notification Forms for funding through the Treasurer's lease purchase program. Please contact me at 574-4713 or via e-mail should you have any questions. Thanks

Sincerely,

A handwritten signature in cursive script, appearing to read 'Dru Saathoff', is written below the word 'Sincerely,'.

Dru Saathoff  
Associate Warden of Administration

Cc: Jina Lilly, Office of the Treasurer

**LEASE-PURCHASE PRIOR NOTIFICATION**

(FOR PURCHASES OF \$50,000 OR MORE)

For Reporting Requirements per Section 8.46, Code of Iowa

Agency Name: Fort Dodge Correctional Facility	Budget Unit/ Fund Name: Fort Dodge Correctional Facility	Budget Unit/ Fund No.: A80 / 0001
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**ACQUISITION INFORMATION**

Description of Acquisition:

This project would replace our digital video recording system throughout the facility and the switch that directs these images to various monitors throughout the facility.

Type of Acquisition <input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Continuation	Duration of Contract (Mo/Yr) 5 years Start: 7/1/07 End: 7/1/12	Contract Type: LP	Estimated Useful Life: 7 years
Funding Sources	\$	Estimated Cost if Purchased Outright: \$188,000.00	
General Fund	\$210,254.60		
Federal	\$	Principal: \$188,000.00	
Revolving Fund	\$		
Road Use Tax	\$	Finance Charge: \$22,254.60	
Other (Specify)	\$		
Total	\$210,254.60	Interest Rate: 4.360%	

**CASH FLOW**

	FY: 2008	FY: 2009	FY: 2010	FY: 2011	FY: 2012	Total Cost
Principal	\$25,668.35	\$35,549.25	\$37,124.72	\$38,770.01	\$40,488.21	
Interest	\$5,869.84	\$6,501.67	\$4,926.20	\$3,280.91	\$1,562.71	
Total	\$31,538.19	\$42,050.92	\$42,050.92	\$42,050.92	\$42,050.92	

**JUSTIFICATION/CONSEQUENCES OF DELAY OR ABANDONMENT**

Our current system is outdated and unreliable. Images can become pixilated which causes issues when investigations of incidents are performed. This system will increase the quality of the image along with the storage capacity for these images. It will increase our ability to investigate creating a more secure facility.

Contact Person: Dru Saathoff	Title: Associate Warden Administration	Phone Number: 515-574-4713
		Date: 6/1/07

**LEASE-PURCHASE PRIOR NOTIFICATION**

(FOR PURCHASES OF \$50,000 OR MORE)

For Reporting Requirements per Section 8.46, Code of IowaAgency Name:  
Fort Dodge Correctional FacilityBudget Unit/ Fund Name:  
Fort Dodge Correctional FacilityBudget Unit/ Fund No.:  
A80 / 0001**ACQUISITION INFORMATION**

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Federal	\$	Principal: \$188,000.00	
Revolving Fund	\$		
Road Use Tax	\$	Finance Charge: \$22,254.60	
Other (Specify)	\$		
Total	\$210,254.60	Interest Rate: 4.360%	

**CASH FLOW**

	FY: 2013	FY	FY	FY	FY	Total Cost
Principal	\$10,399.46					\$188,000.00
Interest	\$113.27					\$22,254.60
Total	\$10,512.73					\$210,254.60

**JUSTIFICATION/CONSEQUENCES OF DELAY OR ABANDONMENT**

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Contact Person: Dru Saathoff

Title: Associate Warden Administration

Phone Number: 515-574-4713

Date: 6/1/07

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For Reporting Requirements per Section 8.46, Code of IowaAgency Name:  
Fort Dodge Correctional FacilityBudget Unit/ Fund Name:  
Fort Dodge Correctional FacilityBudget Unit/ Fund No.:  
A80 / 0001**ACQUISITION INFORMATION**

## Description of Acquisition:

This purchase will replace the existing door control hardware and software in each of our living units and support buildings as well as master control. It would include operation and control of all remotely controlled gates as well as site lighting and security systems that are integrated with the door control systems such as door position indicators and the fence intrusion system.

Type of Acquisition <input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Continuation	Duration of Contract (Mo/Yr) 7 years Start: 7/1/07 End: 7/1/14	Contract Type: LP	Estimated Useful Life: 10 years
Funding Sources	\$	Estimated Cost if Purchased Outright: \$454,000.00	
General Fund	\$532,143.08		
Federal	\$		
Revolving Fund	\$	Principal: \$454,000.00	
Road Use Tax	\$		
Other (Specify)	\$		
Total	\$532,143.08	Interest Rate: 4.520%	

**CASH FLOW**

	FY: 2008	FY:2009	FY: 2010	FY:2011	FY:2012	Total Cost
Principal	\$42,096.86	\$58,382.74	\$61,066.71	\$63,874.06	\$66,810.48	
Interest	\$14,918.47	\$17,637.70	\$14,953.73	\$12,146.38	\$9,209.96	
Total	\$57,015.33	\$76,020.44	\$76,020.44	\$76,020.44	\$76,020.44	

**JUSTIFICATION/CONSEQUENCES OF DELAY OR ABANDONMENT**

The proposed project would replace a system that is almost 10 years old. The system is based on a Windows 95 platform and was originally designed before the facility was expanded in 2000. The system has experienced problematic failures. The system can, and does crash at random times leaving staff and offenders unable to navigate doors or gates until the system is brought back on line. This is not only a safety issue, but the constant threat of system failure also compromises the security of our facility. In the next year or so, parts for our current system will continue to become unavailable further compounding the issue.

Contact Person: Dru Saathoff

Title: Associate Warden Administration

Phone Number: 515-574-4713

Date: 6/1/07

**LEASE-PURCHASE PRIOR NOTIFICATION**

(FOR PURCHASES OF \$50,000 OR MORE)

For Reporting Requirements per Section 8.46, Code of Iowa

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Funding Sources	\$	Estimated Cost if Purchased Outright: \$454,000.00	
General Fund	\$532,143.08		
Federal	\$	Principal: \$454,000.00	
Revolving Fund	\$		
Road Use Tax	\$	Finance Charge: \$78,143.08	
Other (Specify)	\$		
Total	\$532,143.08	Interest Rate: 4.520%	

**CASH FLOW**

	FY: 2013	FY: 2014	FY: 2015	FY	FY	Total Cost
Principal	\$69,881.88	\$73,094.49	\$18,792.78			\$454,000.00
Interest	\$6,138.56	\$2,925.95	\$212.33			\$78,143.08
Total	\$76,020.44	\$76,020.44	\$19,005.11			\$532,143.08

**JUSTIFICATION/CONSEQUENCES OF DELAY OR ABANDONMENT**

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